

**BEFORE THE MASSACHUSETTS DEPARTMENT OF TELECOMMUNICATIONS
AND ENERGY**

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In the Matter of Renewable Energy	:	
Upgrade Service Filing of	:	Docket Number DTE-0355
Massachusetts Electric Company,	:	
Nantucket Electric Company, et al.	:	
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Substantive Comments of Community Energy, Inc.

Community Energy, Inc., acting by and through its President, Brent Alderfer, hereby files these substantive comments regarding the Matter of Renewable Energy Upgrade Service Filing of Massachusetts Electric Company, Docket Number DTE-0355.

Community Energy, Inc., a wind energy marketer in the Northeast region, expresses its support for the filing of the Renewable Energy Upgrade Service (“REUSE”) program in the subject docket.

National Grid’s visionary commitment to offer renewable energy options to electric service customers in Massachusetts Electric and Nantucket Electric service territories is to be vigorously commended and actively supported. Community Energy has been an active participant in the development of the program with the parent company in other jurisdictions and in the negotiation process in Massachusetts and is eager to see the REUSE program move forward.

There is, however, one issue that deserves further consideration in approval of the program. Section Six of the Terms and Conditions provides for quarterly reporting. Due to the seasonal variability associated with premium renewables such as wind and solar energy, quarterly environmental disclosure reporting requirements and the associated supply and demand matching will severely limit the ability of the REUSE program to offer these premium renewables. Seasonal variability of wind and solar power will likely prevent renewable energy suppliers from matching up supply with customer usage on a quarterly basis as required under the current proposals and regulations. Therefore, renewable energy suppliers participating in the REUSE program will be forced to match and dilute renewable energy product offerings with fuel-based substitutes, thereby reducing both the customer payments available to build new wind and solar energy generation facilities and reducing the utilization of projected outputs of those facilities.

Community Energy, Inc. strongly encourages the DTE to modify the Terms and Conditions of the REUSE program to allow full annual reconciliation of renewable energy certificates supply with customer sales to facilitate the marketing and offering of premium

renewable energy products such as wind and solar power. Informed customers know that renewable power from natural sources varies from season to season, and CEI supports disclosure that the full amount of energy purchased from these sources will be delivered over the course of one year as a result. Customers understand this seasonality aspect of renewable energy from wind, solar and hydro and want to support its production precisely because the addition of this natural, seasonal production brings superior environmental benefits to the grid supply portfolio. Customers expect their green energy choice to support the addition of these sources to the grid with their premium dollars.

Quarterly reconciliation proposed in the filing would limit the offerings of wind and solar purchases by electric customers in Massachusetts without appreciable benefit or connection to conventional grid operations. Generation and load on the grid are balanced hourly and load-following occurs in shorter increments. Since quarterly reconciliation of renewable energy deliveries does not tie to balancing or load-following its effect is only to exclude naturally generated renewables from the customer choice program.

Community Energy, Inc. would like to work with the DTE to implement an allowance for annual reconciliation, as is customary in the renewable energy field.

Please return all communication and correspondence regarding this matter to:

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Respectfully Submitted,

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